US Army Corps of Engineers®

New Orleans District

USACE Sponsored Industry Day
Future Debris Contracts

Performance Based Contracting: ACI Debris Source Selection

Performance-Based Contracts

- Federal Acquisition Regulation (FAR) 37.102, performance-based acquisitions (see FAR 37.6) are the preferred method for acquiring services (Public Law 106-398, section 821).

- These contracts rely on the use of measurable performance standards and financial incentives in a competitive environment to encourage competitors to develop and institute innovative and cost-effective methods of performing the work.

Performance Based ACI Debris Contract

- Identified the most critical performance requirements for this mission.
- Tried to determine a standard for each. In most cases, the standard will be negotiated at the time of task order award.
- Communicate the method of evaluation and expected level of service.
- Identified procedures for reducing earnings (invoice deduction) for not meeting our expected level of service.

Mission Critical Requirements

- Production
- Quality Control
- Safety
- Operations
- Subcontracting

Major ACI Debris Requirements Identified

Weighted Standards to Communicate Priority

Performance Standards Defined

Identified Methods of Surveillance

Debris Requirements	Standards of Performance	Max Allow Defect Rate	Method of Surveillance	Standard Weight
	5 Crews, 24 Hours	0%	100% Inspection	0.1
Production	Negotiated Production Rate	10%	Unscheduled Surveillance of Daily Production Rate Over a 2 Week Period	0.9
	Plan Submitted/Approved Within 5 Calendar Days of NTP	0%	100% Inspection	0.1
	QC Staff Management	10%	Random Sample of Number of QC Personnel at Correct Locations Over a 2 Week Period	0.4
	Daily Reports	0%	100% Inspection	0.4
Quality Control	Plan Execution	10%	Unscheduled Surveillance of Debris for Proper Segregation and Exclusion of Ineligible Items	0.1
	Loss of Time Accidents	0	100% Inspection	0.4
	Health and Safety Deficiencies	No More Than 4	100% Inspection	0.3
Safety	Plan Execution	No More Than 2	Complaints and Observations	0.3
	Plan Submitted/Approved Within 5 Calendar Days of NTP	0%	100% Inspection	0.1
Operations Plan	Plan Execution	10%	Unscheduled Surveillance of Number of Crews and Trucks at Correct Locations Over a 2 Week Period	0.9
	Adherence to Goals (SB and Local)	0%	100% Inspection	0.4
	Payment of all Subs at any Tier	0%	Subcontractor Complaints and Observation	
Subcontracting Plan	Number of Tiers	0%	Unscheduled Surveillance Number of Subcontractors Working That are Undocumented	0.3

ACI Debris Requirements	Standards of Performance	Max Allow Defect Rate	Method of Surveillance	Standard Weight	Results for Each Requirement
	5 Crews, 24 Hours	0%	100% Inspection	0.1	
Production	Negotiated Production Rate	10%	Unscheduled Surveillance of Daily Production Rate Over a 2 Week Period	0.9	
					1
	Plan Submitted/Approved Within 5 Calendar Days of NTP	0%	100% Inspection	0.1	
	QC Staff Management	10%	Random Sample of Number of QC Personnel at Correct Locations Over a 2 Week Period	0.4	
	Daily Reports	0%	100% Inspection	0.4	
Quality Control	Plan Execution	10%	Unscheduled Surveillance of Debris for Proper Segregation and Exclusion of Ineligible Items	0.1	
					1
	Loss of Time Accidents	0	100% Inspection	0.4	
	Health and Safety Deficiencies	No More Than 4	100% Inspection	0.3	
Safety	Plan Execution	No More Than 2	Complaints and Observations	0.3	
					1
	Plan Submitted/Approved Within 5 Calendar Days of NTP	0%	100% Inspection	0.1	
Operations Plan	Plan Execution	10%	Unscheduled Surveillance of Number of Crews and Trucks at Correct Locations Over a 2 Week Period	0.9	
					1
	Adherence to Goals (SB and Local)	0%	100% Inspection	0.4	
	Payment of all Subs at any Tier	0%	Subcontractor Complaints and Observation	0.3	
Subcontracting Plan	Number of Tiers	0%	Unscheduled Surveillance Number of Subcontractors Working That are Undocumented	0.3	
					1

ACI Debris Performance Summary	Requirement Results	Requirement Weight	SCORE
Production	1	0.4	0.4
Quality Control	1	0.3	0.3
Safety	1	0.15	0.15
Operations Plan	1	0.1	0.1
Subcontracting Plan	1	0.05	0.05
		TOTAL SCORE	1

Negotiated Level of Service	Percent Deduction from CY Price
95%-100%	0%
85%-95%	5%
75%-85%	7%
Below 75%	10%

After we score each requirement, we “weight” those scores to develop a total score. Based on the total score, the Government will determine if the contracted level of service has been achieved. If not, a price deduction will result.

ACI Debris Requirements	Standards of Performance	Max Allow Defect Rate	Method of Surveillance	Standard Weight	Results for Each Requirement
	5 Crews, 24 Hours	0%	100% Inspection	0.1	
Production	Negotiated Production Rate	10%	Unscheduled Surveillance of Daily Production Rate Over a 2 Week Period	0	
					0.1
Quality Control	Plan Submitted/Approved Within 5 Calendar Days of NTP	0%	100% Inspection	0.1	
	QC Staff Management	10%	Random Sample of Number of QC Personnel at Correct Locations Over a 2 Week Period	0.4	
	Daily Reports	0%	100% Inspection	0.4	
	Plan Execution	10%	Unscheduled Surveillance of Debris for Proper Segregation and Exclusion of Ineligible Items	0.1	
					1
Safety	Loss of Time Accidents	0	100% Inspection	0.4	
	Health and Safety Deficiencies	No More Than 4	100% Inspection	0.3	
	Plan Execution	No More Than 2	Complaints and Observations	0.3	
					1
Operations Plan	Plan Submitted/Approved Within 5 Calendar Days of NTP	0%	100% Inspection	0.1	
	Plan Execution	10%	Unscheduled Surveillance of Number of Crews and Trucks at Correct Locations Over a 2 Week Period	0.9	
					1
Subcontracting Plan	Adherence to Goals (SB and Local)	0%	100% Inspection	0.4	
	Payment of all Subs at any Tier	0%	Subcontractor Complaints and Observation	0.3	
	Number of Tiers	0%	Unscheduled Surveillance Number of Subcontractors Working That are Undocumented	0.3	
					1

Actual Production Rate is too low

ACI Debris Performance Summary	Requirement Results	Requirement Weight	SCORE
Production	0.1	0.4	0.04
Quality Control	1	0.3	0.3
Safety	1	0.15	0.15
Operations Plan	1	0.1	0.1
Subcontracting Plan	1	0.05	0.05
		TOTAL SCORE	0.64

Negotiated Level of Service	Percent Deduction from CY Price
95%-100%	0%
85%-95%	5%
75%-85%	7%
Below 75%	10%

In this scenario, a 10% reduction would occur due to the failure to meet the contracted production rate.

ACI Debris Requirements	Standards of Performance	Max Allow Defect Rate	Method of Surveillance	Standard Weight	Results for Each Requirement
	5 Crews, 24 Hours	0%	100% Inspection	0.1	
Production	Negotiated Production Rate	10%	Unscheduled Surveillance of Daily Production Rate Over a 2 Week Period	0.9	
					1
	Plan Submitted/Approved Within 5 Calendar Days of NTP	0%	100% Inspection	0.1	
	QC Staff Management	10%	Random Sample of Number of QC Personnel at Correct Locations Over a 2 Week Period	0	
	Daily Reports	0%	100% Inspection	0.4	
Quality Control	Plan Execution	10%	Unscheduled Surveillance of Debris for Proper Segregation and Exclusion of Ineligible Items	0.1	
					0.6
	Loss of Time Accidents	0	100% Inspection	0.4	
	Health and Safety Deficiencies	No More Than 4	100% Inspection	0	
Safety	Plan Execution	No More Than 2	Complaints and Observations	0.3	
					0.7
	Plan Submitted/Approved Within 5 Calendar Days of NTP	0%	100% Inspection	0.1	
Operations Plan	Plan Execution	10%	Unscheduled Surveillance of Number of Crews and Trucks at Correct Locations Over a 2 Week Period	0.9	
					1
	Adherence to Goals (SB and Local)	0%	100% Inspection	0.4	
	Payment of all Subs at any Tier	0%	Subcontractor Complaints and Observation	0.3	
Subcontracting Plan	Number of Tiers	0%	Unscheduled Surveillance Number of Subcontractors Working That are Undocumented	0	
					0.7

QC Personnel Are Not at Job Sites

5 Deficiencies Noted

Undocumented Subs at Job Sites

ACI Debris Performance Summary	Requirement Results	Requirement Weight	SCORE
Production	1	0.4	0.4
Quality Control	0.6	0.3	0.18
Safety	0.7	0.15	0.105
Operations Plan	1	0.1	0.1
Subcontracting Plan	0.7	0.05	0.035
		TOTAL SCORE	0.82

Negotiated Level of Service	Percent Deduction from CY Price
95%-100%	0%
85%-95%	5%
75%-85%	7%
Below 75%	10%

In this scenario, a 7% reduction would occur due to the failure to meet the contracted levels of service in Quality Control, Safety, and Subcontracting.

Summary

- Mission critical factors identified.
- Standards or level of service negotiated at task order award.
- Performance measured every 2 weeks.
- Results affect the billing for the performance period.
- Factors weighted to influence behavior.